



COUNTY OF LOS ANGELES  
DEPARTMENT OF PARKS AND RECREATION

*"Parks Make Life Better!"*

Russ Guiney, Director

John Wicker, Chief Deputy Director

Executive Offices • 433 South Vermont Avenue • Los Angeles, CA 90020-1975 • (213) 738-2961

October 28, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 October 28, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**APPROVAL OF LEASE AGREEMENT FOR  
THE MANAGEMENT AND OPERATION OF  
THE SAN FERNANDO REGIONAL POOL FACILITY  
(SUPERVISORIAL DISTRICT 3) (3 VOTES)**

**SUBJECT**

A 35-year lease agreement for the Department of Parks and Recreation to occupy and operate the San Fernando Regional Pool facility located at 300 Park Avenue in the City of San Fernando.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease agreement is categorically exempt from the provisions of the California Environmental Quality Act based on the reasons stated herein and in the record of the project. The Department of Parks and Recreation will file a Notice of Exemption with the County Clerk, pursuant to Section 15062 of the State California Environmental Quality Act Guidelines, upon the Board's approval of the project.
2. Approve and instruct the Chairman to sign a 35-year lease agreement with the City of San Fernando for the Department of Parks and Recreation to operate the San Fernando Regional Pool facility, effective upon Board approval, plus the option to extend the term for two additional 10-year terms.
3. Find that the approval of the lease agreement, pursuant to the requirements of Government Code Section 25907, is in the public interest and will enhance community service by providing recreational opportunities for residents of the County of Los Angeles.
4. Authorize the Director of the Department of Parks and Recreation to occupy and operate the San

Fernando Regional Pool facility pursuant to the lease agreement. The lease agreement will be effective upon approval by the Board, however, the term will commence upon final walk through and acceptance of the San Fernando Regional Pool facility by the County of Los Angeles.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Department of Parks and Recreation (Department) will occupy and operate the entirety of the San Fernando Regional Pool facility (Regional Pool facility), including all existing buildings, grounds, and equipment for community recreational purposes.

The City of San Fernando (City) desires to lease the Regional Pool facility, located at 300 Park Avenue in San Fernando, to the County of Los Angeles (County) and the County desires to lease it from the City for the purpose of operating a year-round pool facility and providing recreational services at its sole cost and expense over the term of the lease agreement. As payment to the City for the lease of the Regional Pool facility, the County has agreed to pay off the outstanding balance (\$676,865) of a federal Section 108 Community Development Block Grant loan made to the City by the Community Development Commission (CDC) to construct the Regional Pool facility in 2004.

The Board of Supervisors authorized the \$676,865 payment, funded through the Provisional Financing Uses budget unit, and the execution of a related funding agreement, with the CDC in the Fiscal Year (FY) 2014-15 Supplemental Changes Budget.

The proposed lease agreement will allow the County to provide community recreational programs, which will contribute to the attainment of the County's general educational and recreational objectives for children and adults.

### **Implementation of Strategic Plan Goals**

The recommended actions will further the Board-approved County Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) by enhancing safe and accessible recreational opportunities for residents and visitors to Los Angeles County.

### **FISCAL IMPACT/FINANCING**

The Board of Supervisors authorized the \$676,865 payment, funded through the Provisional Financing Uses budget unit, and the execution of a related funding agreement with the CDC in the FY 2014-15 Supplemental Changes Budget. The County will make no additional payments to the City, during the initial 35-year term or the two 10-year option terms, in exchange for occupying and operating the Regional Pool facility.

The Department will renovate the Regional Pool facility and purchase additional equipment at a total cost of \$464,000, included in the County's FY 2014-15 Final Changes Budget, in order to provide continued and improved services to the community. The general scope of the renovation includes the following: renovation of the pool pads, sun shade enhancement, renovation of kitchen facilities within the community room, and snack bar improvements.

### **OPERATING BUDGET IMPACT**

The Department's Operating Budget has sufficient ongoing funding in the amount of \$1,167,000 for the annual operating cost of the Regional Pool facility and one-time funding of \$464,000 for

renovations and equipment. Total one-time and ongoing operational costs of \$1,631,000 are funded by \$144,000 of anticipated pool rental revenue and \$1,487,000 of Net County Cost. Ongoing security services, provided through the Sheriff's Parks Bureau, are expected to cost \$107,000. All appropriations were included in the County's FY 2014-15 Final Changes and Supplemental Changes budgets.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed lease agreement will provide the use of a 2.81-acre portion of real property that consists of three bodies of water, a 50-meter competition pool with diving boards, and a 25-meter instructional pool with recreational slide and splash pad area; an approximately 16,000 square-foot two-story building consisting of a lobby area, office space, storage areas, a banquet hall, kitchen area, locker, and shower facilities; an approximately 800 square-foot outdoor storage area enclosed by fencing; an adjoining parking lot; and all of the fixed pool facility equipment and furnishings. The proposed lease agreement contains the following provisions:

- The County shall enter into a 35-year lease agreement with the City, plus the option to extend the term for two additional 10-year terms, effective upon approval by the Board and commencing upon acceptance by the County.
- The County has the right to the exclusive possession, control, use, management, and operation of the Regional Pool facility and all related services, programs, and activities.
- The County agrees to pay off the Section 108 Loan Balance to CDC and to compile the necessary data and prepare an annual report to comply with the City's reporting obligation under the CDC loan agreement for a period of five years.
- The County shall pay the expense of all utility services supplied to the Regional Pool facility.
- The County, at its sole cost and expense, shall keep and maintain the Regional Pool facility.

The proposed lease agreement is authorized by Section 25353 of the California Government Code, which allows the County to lease real property for County use and other public purposes.

The Department has inspected the Regional Pool facility and has found it suitable for County occupancy. Construction of the renovation project will be completed in compliance with building codes and the Americans with Disabilities Act.

Notices have not been sent to the City pursuant to Government Code Sections 65402 and 25352 as the City, the landlord of the property and a participant in the lease agreement, has formally approved the proposed lease agreement.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed project consists of the normal operation of an existing facility for public gathering, for which the facility was designed and where there is a past history of the facility being used for the same or similar purpose. The Regional Pool facility will continue to be used and operated in a manner similar to the past three years, and there is a reasonable expectation that future occurrence of those same activities will not represent a change in the operation of the Regional Pool facility. The project is, therefore, within a class of projects that has been determined not to have a significant

effect on the environment in that it meets the criteria set forth in Section 15323 of the State CEQA Guidelines and Class 23 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, the project is not located in a sensitive environment, and there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease agreement will have no impact on current services offered at the Regional Pool facility.

### **CONCLUSION**

It is requested that a certified copy of the action taken by the Board and a fully executed copy of the attached lease agreement be mailed to: San Fernando City Hall, 117 Macneil Street, San Fernando, California 91340, Attention: Elena G. Chavez.

It is also requested that one conformed copy be forwarded to the Department of Parks and Recreation.

Should you have any questions, please contact Malou Rubio at (213) 738-3015 or [mrubio@parks.lacounty.gov](mailto:mrubio@parks.lacounty.gov), Robert Maycumber at (213) 368-5823 or [rmaycumber@parks.lacounty.gov](mailto:rmaycumber@parks.lacounty.gov), Kasey Dizon at (213) 738-2986 or [kdizon@parks.lacounty.gov](mailto:kdizon@parks.lacounty.gov), or Kaye Michelson at (213) 738-2955 or [kmichelson@parks.lacounty.gov](mailto:kmichelson@parks.lacounty.gov).

Respectfully submitted,



RUSS GUINEY

Director

RG:JW:JG

RAM:mr

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

**LEASE AGREEMENT**

by and between

**CITY OF SAN FERNANDO**

and

**COUNTY OF LOS ANGELES**

dated

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## **LEASE AGREEMENT**

(City of San Fernando/County of Los Angeles)

THIS LEASE AGREEMENT ("Lease") is effective as of October 28, 2014 ("Effective Date"), by and between the CITY OF SAN FERNANDO ("City") as lessor, and COUNTY OF LOS ANGELES, a body corporate and politic ("County") as lessee. The City and County are at times collectively referred to hereinafter as the "Parties" or individually as the "Party".

### **RECITALS**

A. City is the owner of an approximately 2.81 acre portion of real property (portion of Assessor's Parcel Number 2519-026-903) which comprises the San Fernando Regional Pool Facility, a public pool and related facilities located in the City of San Fernando, California, as shown in Exhibit A, site map, and legally described and depicted in Exhibit B, legal description, both attached hereto and made a part hereof by this reference (the "Property").

B. City financed construction of the Property and the pool facilities therein, in part, through that certain Section 108 loan in the amount of \$3,000,000 (the "Loan") issued by County's Community Development Commission ("CDC") pursuant to that certain Loan Agreement dated May 13, 2004 ("Loan Agreement") between the City and the County. The current balance of the Loan is \$ 676,864.00 ("Loan Balance").

C. City desires to lease the Property to County in exchange for County's agreement to pay off the Loan Balance and County desires to lease the Property from City for the purpose of providing aquatic services and programs to the local community and general public all in accordance with the terms set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

### **ARTICLE 1** **LEASE**

1.1 City hereby leases the Property to County and County hereby leases the Property from City on the terms and conditions set forth herein.

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## **ARTICLE 2**

### **BASIC PROVISIONS**

**2.1 Basic Provisions.** For the convenience of the parties, certain basic provisions of this Lease are set forth herein, which provisions are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

**2.1.1 Address of the Property:** San Fernando Regional Pool Facility, 300 Park Avenue, San Fernando, California 91340.

**2.1.2 Property Description:** The Property consists of three bodies of water, a 50 meter competition pool with diving boards, a 25 meter instructional pool with recreational slide, and splash area; an approximately 16,000 square foot two-story building consisting of a lobby area, office space, storage areas, a banquet hall, kitchen area, locker and shower facilities; an approximately 800 square foot outdoor storage area enclosed by fencing(a small portion of which is outside the Legal Description – the City acknowledges that this portion shall be part of the Property covered by this Lease) ; adjoining parking lot; and, all of the fixed pool facility equipment and furnishings as more particularly described in the inventory list attached hereto as Exhibit C and made a part hereof by this reference (collectively, the "Facilities").

**2.1.3 County's Rights:** Subject to the terms of this Lease, County shall have the right to the exclusive possession, control, use, management and operation of the Property, the Facilities, and all related services, programs and activities. County's rights include but are not limited to the following:

(a) The right to charge and collect fees for the use of the Facilities as the County deems appropriate. City acknowledges and agrees that any revenue generated from the Facilities and collected by County shall be the sole property of the County. City shall not be entitled to any preferential use of the Facilities. In addition, City shall be subject to County's standard rules and regulations with regard to use of the Facilities, including, without limitation, requirement of a separate written agreement with regard to each such use, and payment of applicable fees. Notwithstanding the foregoing, City and County agree to meet and confer on a semiannual basis or as needed at the request of either Party, during the Term of this Lease to coordinate scheduling of events at the Property and the adjoining City facilities in an effort to ensure that the City's use of its adjoining facilities does not conflict with the County use of the Facilities and in return that the County use does not conflict with any City events.

(b) At any time during the term of this Lease and at County's sole cost and expense, the right, to add, change, alter, or install new signage on or about the Property including without limitation, adding the words "County of Los Angeles" and/or adding the County and/or Department of Parks and Recreation seals to any existing signage; but not including the right to rename the Facilities. County agrees to maintain its signage in good condition and remove all of its signage at the termination of this Lease. All signage

installed, changed or altered by the County shall be in compliance with City requirements, as set forth in the City Municipal Code. City is responsible for maintenance and repair for any City signage located on the Property but shall not be responsible for maintenance or repair of any County signage.

(c) The right to use, on a nonexclusive basis (i) the cemented service road owned by the City located adjacent to the Property as shown on Exhibit A (the "Service Road") which allows access to the Property and parking lot located within the Property (the "Pool Parking").

(d) The right to control the use of the Pool Parking, provided that County shall be responsible, at its sole cost and expense, for the regular maintenance of the Pool Parking including resurfacing and restriping, subject to prior approval by the City, which approval shall not unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, if City fails to respond to County's request within fifteen (15) days of receipt thereof, County's request shall be deemed approved. County agrees that City shall have the right to use the Pool Parking on a nonexclusive basis for purposes of providing parking to users of the adjacent City park facilities and other City related uses provided City (i) complies with any applicable County rules and regulations, (ii) provides any additional security that may be required in County's reasonable discretion and (iii) agrees to indemnify and hold County harmless from and against all loss arising from City's use of the Pool Parking.

(e) County and City shall have joint possession and control over the two (2) security gates/arms (collectively, the "Security Gates") that allow access to the Service Road and Pool Parking. City and County agree that both Security Gates shall be equipped with interlaced padlocks to which both City and County will have necessary keys/combinations at all times. Subject to Section 2.1.3(d) above, City and County will share maintenance and repair obligations to the Security Gates equally.

(f) The right to independently operate the Facilities and hire employees, vendors and service providers. City agrees to terminate any and all contracts with existing vendors and service providers, related to the Property prior to the Commencement Date. City agrees and acknowledges that County shall have no obligation to hire any of City's employees currently working at the Facilities.

**2.1.4 Permitted Use:** Any lawful use including aquatic related services, community recreation programs and activities, educational programs and other associated uses, all of which services and activities shall be made available on an equal basis to all residents of the County. County shall insure that all employees, invitees, and all others in attendance will adhere to proper standards of public conduct. There is to be no gambling, quarreling, fighting, or indecent exposure on or near the Property.

**2.1.5 Address for Notices:**

**City:**



San Fernando City Hall  
117 Macneil Street, San Fernando, CA 91340  
Attention: Brian Saeki, City Manager  
Email: bsaeki@sfcity.org

**County:**

Chief Executive Office/Real Estate Division  
County of Los Angeles  
222 South Hill Street, Third Floor  
Los Angeles, CA 90012  
Attention: Christopher M. Montana, Director of Real Estate  
Email: cmontana@ceo.lacounty.gov

With a copy to:

Department of Parks and Recreation  
433 South Vermont Avenue  
Los Angeles, CA 90020  
Attention: Russ Guiney, Director  
Email: rguiney@parks.lacounty.gov

**2.2 Security.**

A. County will provide security for the Facilities through County's Sheriff's Park Bureau, for which ongoing funding has been allocated.

B. City's Virtual Patrol System and other City equipment (identified collectively as the "Equipment") shall remain on the Property at no cost to the City or County. Both Parties shall have open access to the Equipment during the Term of this Lease. Notwithstanding the foregoing, County shall incur no cost whatsoever with regard to the Equipment.

**2.3 Exhibits.** The following exhibits are attached hereto and incorporated herein by this reference:

Lease Exhibit "A" - Site Map

Lease Exhibit "B" - Legal Description and Depiction of Property

Lease Exhibit "C" – Inventory List

**2.4 "AS-IS" CONDITION/ASSUMPTION OF RISK:**

A. The Property is leased in as-is condition and City makes no representation or warranty of any kind regarding the character of the Property.

B. County shall inspect the Property prior to taking control thereof. County shall exercise its privileges hereunder at its own risk and its own expense, assuming full responsibility for all risks incidental to the performance of this Lease and the use of the Property and improvements thereon.

C. Subject to Section 11.3 below, City assumes no responsibility whatsoever for the safe condition, security or maintenance of the Property and the Facilities, nor for the protection of persons and property thereon, and the County shall be solely responsible for the improvements thereon, or changes in the condition of the Property or of improvements thereon caused by or arising from: (i) any activity, use or performance by County or its contractors, agents or employees under this Lease; or (ii) any activity, use or performance by County or its contractors, agents or employees on the Property.

### **ARTICLE 3**

#### **TERM**

**3.1 Commencement.** The term of this Lease shall commence on \_\_\_\_\_, 20\_\_ ("Term Commencement Date").

**3.2 Term.** The initial term of this Lease shall be that thirty-five (35) year period beginning from the Term Commencement Date and ending \_\_\_\_\_, 20\_\_ ("Term Expiration Date"), unless sooner terminated as hereinafter provided. County shall have the option to extend the term for two additional ten (10) year period(s) each (the "Term"), subject to approval of the County Board of Supervisors.

### **ARTICLE 4**

#### **RENT**

**4.1 Rent.** In lieu of any rent payments made to City, County agrees to pay off the Loan Balance (as identified in Recital "B" of this Lease) directly to CDC and to compile the necessary data and prepare an annual report to comply with City's reporting obligation under the Loan Agreement for a period of five (5) years beginning in fiscal year 2015 through and including fiscal year 2019. City acknowledges and agrees that County's obligation to compile such data and prepare an annual report shall not extend beyond such five (5) year period. City further agrees and acknowledges that no further rent shall be payable by County and that County shall not have any further obligation to assume or relieve City from any other financial or reporting obligations it may have in connection with the Property.

### **ARTICLE 5**

#### **USE**

**5.1 Compliance with Law.** County shall, at County's sole cost and expense, comply with all statutes, ordinances and regulations of all governmental entities. If any license, permit or other governmental authorization is required for the lawful use or occupancy of the Property or any portion of the Property, County shall procure and maintain it, at County's sole cost and expense, throughout the term of this Lease.

## **ARTICLE 6** **UTILITIES/TAXES**

**6.1 Utilities.** During the Term, County shall pay the expenses of all utility services supplied to the Property, including but not limited to all telephone, air conditioning, heating, electricity, gas, water and sewer units, together with any taxes thereon. The parties acknowledge that all utility services supplied to the Property are currently on a separate meter, except for gas, which County at its sole cost and expense, shall cause to be separately metered within one hundred and twenty (120) days of possession of the Property. Until gas is separately metered, County shall reimburse City for the actual cost of gas attributable to the Property.

**6.2 Taxes.** County's possession of the Property may be subject to taxation under California Revenue and Taxation Code section 107 et seq. County shall be solely responsible for and shall promptly pay, and defend and indemnify City against, all taxes and duties of any kind (including, but not limited to, sales, use and withholding taxes, and possessory interest taxes) associated with this Lease or County's use of the Property.

## **ARTICLE 7** **DISCRETIONARY PERMITS**

**7.1 Applications.** During the Term, City will, promptly upon County's request, sign and acknowledge any application to any governmental entity having jurisdiction over the Property for any discretionary permits necessary to construct Improvements, provided that City incurs no cost (other than the administrative and consulting cost necessary for review). No such signing by City will be deemed to be City's acceptance of, or commitment to satisfy, any condition in or precedent to a discretionary permit or adversely affecting City's interest in the Property.

## **ARTICLE 8** **EASEMENTS**

**8.1 Utility Easements.** Upon request, City will execute, acknowledge and deliver to County for recording, any grant of easement (i) over, upon, across or under the Property or any portion thereof, (ii) in favor of any governmental subdivision or any gas, electric, telephone or similar company and (iii) for the purpose of (a) widening any street, (b) transmitting potable water, storm water, sewage, gas, electricity, telephone or other communication or (c) providing to the Property and the persons using and

enjoying the Property such materials and services as are, from time to time customarily understood to be "utilities."

## **ARTICLE 9** **IMPROVEMENTS**

**9.1 Construction.** County shall have the right to construct improvements on the Property ("County Improvements") at County's sole cost and expense, including the expense of design, permitting and construction. County shall obtain and provide to City a certificate of substantial completion from the architect upon completion of the improvements. The County Improvements together with any existing improvements on the Property are referred to herein as the "Improvements".

**9.2 City's Approval.** All plans for County Improvement shall be subject to City's approval, which shall not be unreasonably withheld, conditioned or delayed. Plans submitted for City's approval shall include an estimated construction schedule.

**9.3 Compliance with Laws.** Any County Improvements shall be constructed and all work on the Property shall be performed in accordance with all valid laws, ordinances and regulations of all federal, state, county or local governmental agencies having jurisdiction over the Property, including but not limited to the Americans with Disabilities Act of 1990 ("ADA") and the regulations promulgated thereunder, as amended from time to time (collectively, the "Laws"). All work performed on the Property under this Lease shall be done in a good and workmanlike manner.

**9.4 Mechanics Liens.** County shall keep the Property and all Improvements now or hereafter located on the Property free and clear of all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Property.

**9.5 Ownership.** Title to the County Improvements shall be vested in County during the Term. Upon expiration or earlier termination of this Lease, the County Improvements shall, without compensation to County, automatically and without any act of County or any third party become City's property.

**9.6 Surrender.** County shall surrender any County Improvements at the expiration of the Term or earlier termination of this Lease, free and clear of all liens and encumbrances, other than those, if any, consented to by City. County agrees to execute, acknowledge and deliver to City, at City's request, a quitclaim of all of the County's right, title and interest in and to the County Improvements and the Property.

## **ARTICLE 10** **MAINTENANCE, REPAIR, DAMAGE AND DESTRUCTION**

**10.1 Maintenance.** During the Term and for any extended term, County shall, at County's sole cost and expense, keep and maintain the Property in good order and

repair, and in a safe and clean condition. Upon the expiration or earlier termination of the Term, County shall surrender the Property in good order and condition to the City, ordinary wear and tear excepted. City shall have no obligation to alter, remodel, improve or repair the Property during the Term.

**10.2 Repair.** During the Term and for any extended term, County shall, at County's own cost and expense, do all of the following:

**10.2.1** Make all alterations, additions, replacements or repairs to the Property required by the Laws;

**10.2.2** Observe and comply with all the Laws; and

**10.2.3** Indemnify and hold City free and harmless from any and all liability, loss, damages, fines, penalties, claims and actions resulting from County's failure to comply with and perform the requirements of this section.

**10.3 Damage or Destruction.** In the event of damage to or destruction of all or any portion of the Property, City shall within a reasonable time commence and proceed diligently to repair, reconstruct and restore (collectively, "restore") the Property to substantially the same condition as it was in immediately prior to the casualty, whether or not insurance proceeds are sufficient to cover the actual cost of restoration. City shall be responsible for all insurance deductibles attributable to the Property and for all costs of restoration of the Property in excess of insurance proceeds for the Property. This Lease shall continue in full force and effect notwithstanding such damage or destruction.

## **ARTICLE 11** **INDEMNIFICATION AND INSURANCE**

**11.1 Indemnification.** County agrees to indemnify City, its officers, employees, agents and volunteers ("City's Agents") against, and to protect, defend, and save them harmless from, all demands, claims, causes of action, liabilities, losses and judgments, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorneys' fees) for death of or injury to person or damage to property arising out of (i) any occurrence in, upon or about the Property or the County Improvements during the construction of any such Improvements, (ii) County's use, occupancy, repairs and maintenance of the Property, the Improvements and all fixtures, equipment and personal property thereon, and (iii) any act or omission of County, its members, directors, officers, agents, employees, servants, contractors and invitees ("County's Agents"), relating to this Lease, except to the extent caused by the negligence or willful misconduct of City or City's Agents. County's obligation under this paragraph 11.1 shall survive the expiration or earlier termination of this Lease.

**11.2 County Insurance.** Without limiting County's indemnification of City, County shall provide and maintain or cause its contractor(s) to provide and maintain at its own expense during the Term the following programs of insurance or self-insurance:

**11.2.1 Liability Insurance.** At all times during the term of this Lease, County shall maintain, at County's expense, commercial general liability insurance, on an occurrence basis, insuring County and County's Agents against all bodily injury, property damage, personal injury and other covered loss arising out of the use, occupancy, improvement and maintenance of the Property and the Improvements. Such insurance shall have a minimum combined single limit of liability per occurrence of not less than \$2,000,000.00 and a general aggregate limit of \$4,000,000.00. City has the right from time to time to require that such insurance limits be increased to reasonably reflect increased liability costs. Such insurance shall: (i) name the City, its officers, employees, agents and volunteers as additional insureds; (ii) include a broad form contractual liability endorsement insuring County's indemnity obligations; (iii) provide that it is primary coverage and noncontributing with any insurance maintained by the City, which shall be excess insurance with respect only to losses arising out of County's negligence; and (iv) provide for severability of interests or include a cross-liability endorsement, such that an act or omission of an insured shall not reduce or avoid coverage of other insureds.

**11.2.2 All Risk Insurance.** At all times during the term of this Lease, County shall maintain, at County's expense, "all risk" insurance on all buildings, fixtures and structures located on the Property, and all personal property, trade fixtures, equipment and merchandise of County or any subtenant or licensee of County that may be occupying or using the Property or any portion thereof in an amount equal to the full replacement value thereof. The insurance shall name City as additional insured.

**11.2.3 Worker's Compensation.** At all times during the term of this Lease, County shall maintain workers' compensation insurance in accordance with state law, and employers' liability insurance with limits typical for entities similar to County.

**11.3 City Indemnification.** City agrees to indemnify County, its officers, employees, agents and volunteers, collectively County's Agents, against, and to protect, defend, and save them harmless from, all demands, claims, causes of action, liabilities, losses and judgments, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorneys' fees) for death of or injury to person or damage to property arising out of any negligence or willful misconduct of City, its members, directors, officers, agents, employees, servants, contractors and invitees, collectively City's Agents, relating to this Lease, and/or the condition of the Property before the Term Commencement Date, except to the extent caused by the active negligence or willful misconduct of County or County's Agents. City's obligation under this paragraph 11.3 shall survive the expiration or earlier termination of this Lease.

## **ARTICLE 12** **ASSIGNMENT AND SUBLEASING**

**12.1 Subleasing.** County shall not assign this Lease, or any interest therein, and shall not sublet the the Property or any part thereof, or any right or privilege appurtenant thereto, or suffer any person to occupy or use the said Property, or any portion thereof, without the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. Consent to one assignment, subletting, occupation, or use by another person shall not be deemed to be consent to any subsequent assignment, subletting or occupation. Any assignment or subletting without such consent shall be void, and shall, at the option of the City, terminate this Lease. This Lease shall not, nor shall any interest therein, be assignable, as to the interest of the County, by operation of law, without the prior written consent of the City.

Subject to prior written approval by the City, County shall have the right to sublease all or any portion of the Property and at all times during the Term under the following conditions:

(a) The specific use of the subleased space shall be consistent with the County's permitted uses of the Property;

(b) The term of any sublease shall not extend beyond the Term and any extended term;

(c) Any and all subleases shall be expressly made subject to all of the terms, covenants, and conditions of this Lease;

(e) Unless the parties agree otherwise, any rent charged by the County for the subleasing of any portion of the Property shall be County's sole possession;

(f) County shall provide a copy of each sublease to City immediately upon full execution.

**12.2 Licenses/Permits.** Notwithstanding Section 12.1, the County shall be entitled to issue licenses and/or permits for the temporary use of the Property by community groups, organizations, and members of the public, and to charge or waive fees for the use thereof, without the approval of the City, so long as such licensed and/or permitted uses do not conflict with the permitted use under this Lease.

## **ARTICLE 13** **DEFAULT AND REMEDIES**

**13.1 City's Default.** City shall not be in default of any of its obligations under this Lease unless City fails to perform such obligations within a reasonable time, but in no event less than thirty (30) days, after written notice by County to City specifying wherein City has failed to perform such obligations; provided however, that if the nature of City's default is such that more than thirty (30) days are required for its cure, City shall not be in default if City commences such cure within such thirty (30) day period

and thereafter diligently prosecutes the same to completion.

**13.2 County's Remedies.** In the event of any default by City as described in Section 13.1 above, subject to all applicable laws that may restrict remedies against a city, including, but not limited to, restrictions within the California Government Code, County's remedies under this Lease are to pursue City for specific performance and/or actual damages, resulting from City's default. County shall have no rights as a result of any default by City until County gives thirty (30) days' notice to City, specifying the nature of the default.

**13.3 County's Default.** County shall not be in default of any of its obligations under this Lease unless County fails to perform such obligations within a reasonable time, but in no event less than thirty (30) days, after written notice by City to County specifying wherein County has failed to perform such obligations; provided however, that if the nature of County's default is such that more than thirty (30) days are required for its cure, County shall not be in default if County commences such cure within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

**13.4 City's Remedies.** In the event of any default by County as described in Section 13.3 above, subject to all applicable laws that may restrict remedies against a county, including, but not limited to, restrictions within the California Government Code, City's remedies under this Lease are to pursue County for specific performance and/or actual damages, resulting from County's default. City shall have no rights as a result of any default by County until City gives thirty (30) days' notice to County, specifying the nature of the default.

## **ARTICLE 14** **HAZARDOUS MATERIALS**

**14.1 Compliance.** During the Term, County, at its sole cost, shall comply with all laws, statutes, ordinances, codes, regulations and orders relating to the receiving, handling, use, storage, transportation, discharge, release and disposal of Hazardous Material (as defined below) in or about the Property. County shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Property by County or County's Agents in a manner or for a purpose prohibited by any federal, state or local agency or authority or under any Environmental Law (as defined below),

**14.2 Notice.** County shall immediately provide City with telephonic notice, which shall promptly be confirmed by written notice, of any and all spillage, discharge, release and disposal of Hazardous Material onto or within the Property, including the soils and subsurface waters thereof, which by law must be reported to any federal, state or local agency, and any injuries or damages resulting directly or indirectly therefrom.

**14.3 Indemnification.** County agrees to indemnify City against, and to protect, defend, and save it harmless from, all demands, claims, causes of action, liabilities, losses and judgments, and all reasonable expenses incurred in investigating or resisting



the same (including reasonable attorneys' fees), which result from County's (or from County's Agents) receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Material in, upon or about the Property or the Improvements on or after the Term Commencement Date. City shall be responsible for and shall indemnify, protect, defend and hold harmless County on the same basis as above for any claims which result from City's or from City's Agents receiving, handling, use, storage, accumulation, transportation, generation, spillage, migration, discharge, release or disposal of Hazardous Material in, upon or about the Property or the Improvements any time before the Term Commencement Date and/or during the Term.

**14.4 Survive Termination.** County's and City's obligations under this Article 14 shall survive the termination of the Lease.

**14.5 Definition of Hazardous Material.** As used herein, the term "**Hazardous Material**" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) petroleum, (ii) asbestos, (iii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (iv) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. Section 6903), or (v) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601)

"Environmental Laws" shall mean all federal, state and local laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance, or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USCS § 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USCS § 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USCS § 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USCS § 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USCS § 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS § 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS § 6901 et seq.]; the Clean Air Act [42 USCS § 7401 et seq.]; the Safe Drinking Water Act [42 USCS § 300f et seq.]; the Solid Waste Disposal Act [42 USCS § 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS § 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS § 11001 et seq.]; the Occupational Safety and Health Act [29 USCS § 655 and

657]; the California Underground Storage of Hazardous Substances Act [H & S C § 25280 et seq.]; the California Hazardous Substances Account Act [H & S C § 25300 et seq.]; the California Hazardous Waste Control Act [H & S C § 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C § 24249.5 et seq.]; the Porter Cologne Water Quality Act [Wat C § 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, about, near, or within the Property), or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

## **ARTICLE 15**

### **OPTION TO EXTEND**

**15.1 Option.** On or before the date which is twelve (12) months before the Term Expiration Date, provided County shall not then be in default under this Lease, County, in its sole and absolute discretion, may elect to exercise its option(s) to extend this Lease for an additional term of ten (10) years for each option, by providing to City written notice of its election to exercise of the option. If County fails to exercise its option as provided for herein, this Lease shall expire upon the original Term Expiration Date. Upon exercise of the County's option, the Term Expiration Date shall be extended for the period of the additional term upon the same terms and conditions of this Lease, unless the parties mutually agree otherwise. As used herein, "Term" shall include any extension term. The County hereby delegates to the County's Chief Executive Officer or his designee, the authority to issue any notice as required in order to extend this Lease as provided above.

## **ARTICLE 16**

### **QUIET ENJOYMENT AND RIGHT OF ENTRY**

**16.1 Quiet Enjoyment.** City covenants and agrees that it will not take any action to prevent County's quiet enjoyment of the Property during the Term.

**16.2 Right of Entry.** City reserves the right for any of its duly authorized representatives to enter the Property upon provision of 24 hours prior notice to County for any reasonable actions, including but not limited to (i) inspecting the Property and (ii) posting, in such places as City may select, notices of nonresponsibility for works of construction, repair or improvement made by County. In doing so, City shall not interfere with County's enjoyment and use of the Property.

## **ARTICLE 17**

### **EMINENT DOMAIN**

**17.1 Agreement Governs.** In the event of any acquisition of all or any part of

the Property, or any interest therein by eminent domain, whether by condemnation proceeding or transfer in avoidance of an exercise of the power of eminent domain or otherwise during the Term or any extension thereof, the rights and obligations of the parties with respect to such appropriation shall be as provided in this Article 17.

**17.2 Termination of Agreement.** This Lease shall terminate if the entire Property is permanently taken under the power of eminent domain or if a material part of the Property is taken such that the operation of the Improvements cannot feasibly continue on the remaining portion of the Property. If only a part of the Property is permanently taken under the power of eminent domain and the County can reasonably continue to operate the Property as contemplated by this Lease, this Lease shall not terminate and shall remain in full force in effect with respect to the remaining portion of the Property.

**17.3 Allocation of Condemnation Award.** In the event of a permanent condemnation or taking of all or part of the Property at any point during the Term or any extension thereof, the City shall be entitled to any award which may be made in such taking or condemnation to the extent such award relates to the fee title to the Property, and County shall be entitled to any award which may be made in such taking or condemnation to the extent it relates to the County Improvements. Nothing contained in this Article 17 shall be deemed to give the City any interest in or to require County to assign to City any separate award, as designated by the condemning authority, and County shall be able to retain any separate award as, designated by the condemning authority, made to County for the taking of County's personal property, or the interruption of or damage to County's operations on the Property.

## **ARTICLE 18**

### **PROPERTY RECORDS; INSPECTION OF PROPERTY**

**18.1 Property Records.** Within thirty (30) days of the Effective Date, City shall deliver to the County copies of all books and records of City with respect to the ownership, maintenance, and operation of the Property, including any appraisals, surveys, engineering, environmental and other reports and analyses of the Property which are in City's possession.

**18.2 Property Inspections.** Before the Term Commencement Date County may, upon provision of prior notice to City, enter the Property to perform inspections, and due diligence at County's sole cost and expense, including but not limited to destructive and non-destructive soils, air, structural and environmental testing in, on and under the Property and existing Improvements. County agrees, upon completion of such activities, to restore the Property and existing Improvements to substantially the same condition as existed before conducting such activities, normal wear and tear excepted.

## **ARTICLE 19**

### **CANCELLATION**

**19.1                    Cancellation by County.** This Lease may be cancelable unilaterally by County by providing prior written notice to the City one hundred and eighty (180) days prior to cancellation. Upon cancellation, County shall convey the Improvements and all fixtures, alterations, additions and improvements thereto to City, including, without limitation, a quitclaim deed for the Improvements, assignment of all agreements, guaranties, warranties, and plans and specifications related to the County Improvements, and County shall bear all costs and expenses for such conveyance.

**19.2                    Cancellation by Agreement of the Parties.** Notwithstanding Section 19.1, the Lease may be cancelable by the mutual agreement of the parties at any time, upon terms and conditions agreed to by the parties.

## **ARTICLE 20** **GENERAL PROVISIONS**

**20.1   Waiver and Modification.** No provision of this Lease may be modified, amended or added to except by an agreement in writing.

**20.2   Applicable Law.** This Lease and all rights and obligations arising out of it shall be construed in accordance with the laws of the State of California.

**20.3   Time.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

**20.4   Authority to Execute Lease.** City and County each acknowledge that it has all necessary right, title and authority to enter into and perform its obligations under this Lease, that this Lease is a binding obligation of such party and has been authorized by all requisite action under the party's governing instruments, that the individuals executing this Lease on behalf of such party are duly authorized and designated to do so, and that no other signatories are required to bind such party.

**20.5   Consents.** Whenever consent or approval of either party is required, that party shall not unreasonably withhold or delay such consent or approval, except as may be expressly set forth to the contrary.

**20.6   Entire Agreement.** The terms of this Lease are intended by the parties as a final expression of their agreement with respect to the terms as are included herein, and may not be contradicted by evidence of any prior or contemporaneous agreement.

**20.7   Severability.** Any provision of this Lease which shall prove to be invalid, void, or illegal in no way affects, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

**20.8 Impartial Construction.** The language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either the City or County.

**20.9 Successors.** Each of the covenants, conditions, and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective administrators, successors, assigns, or any person who may come into possession of the Property, the Improvements or any part thereof. Nothing contained in this paragraph shall in any way alter the provisions regarding subleasing provided in this Lease.

**20.10 Notices.** All notices, demands and communications between City and County shall be in writing and given by personal delivery; facsimile transmission; electronic mail; registered mail, return receipt requested, with postage prepaid; Federal Express or other reliable private express delivery, addressed to County or City at the addresses shown in paragraph 2.1.5 above. Either party may, by notice to the other given pursuant to this subparagraph, specify additional or different addresses for notice purposes.


**20.11 Counterparts.** This Lease may be executed in one or more counterparts, each of which shall constitute an original.

**20.12 Nondiscrimination.** City, County and all others who from time to time may use the Property with the permission and on the terms and conditions specified by both parties shall not discriminate in any manner against any person or persons on account of race, color, sex, creed or national origin, including but not limited to the providing of goods, services, facilities, privileges, advantages, and the holding and obtaining of employment.

**[Signatures on following page]**

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

**CITY OF SAN FERNANDO**

By:   
Sylvia Ballin, Mayor


**COUNTY OF LOS ANGELES**, a body corporate and politic,

By:   
Chairman, Board of Supervisors



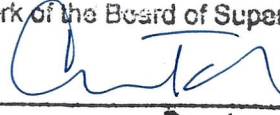
ATTEST:

SACHI A. HAMAI,  
Executive Officer of the Board of Supervisors

By:   
Deputy

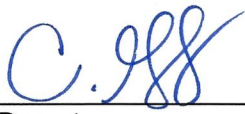
I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By:   
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By:   
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS

**# 18 OCT 28 2014**

  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**EXHIBIT A**

**SITE MAP**



**EXHIBIT A  
SAN FERNANDO REGIONAL POOL FACILITY  
SITE MAP  
2.81 ACRES**





**EXHIBIT B**

**LEGAL DESCRIPTION AND DEPICTION OF PROPERTY**

## EXHIBIT "B"

### LEGAL DESCRIPTION

A 2.81 ACRE PORTION OF ASSESSOR'S PARCEL NUMBER: 2519-026-903

A PORTION OF BLOCK 230 OF MACLAY RANCHO PER MAP RECORDED IN BOOK 37, PAGES 5 TO 16 INCLUSIVE OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF PARK AVENUE (35 FOOT HALF STREET) WITH THE SOUTHWESTERLY LINE OF FOURTH STREET (60 FEET WIDE, 30 FOOT HALF STREET) AS SHOWN ON RECORD OF SURVEY RECORDED IN BOOK 246 PAGE 96 OF RECORD OF SURVEYS; THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF PARK AVENUE, S48°52'33"W, 567.94 FEET; THENCE LEAVING SAID SOUTHEASTERLY LINE, S40°51'04"E, 83.82 FEET; THENCE S86°10'08"E, 8.73 FEET; THENCE S41°00'38"E, 116.88 FEET; THENCE N48°59'22"E, 3.22 FEET; THENCE S86°12'50"E, 7.11 FEET; THENCE N48°54'56"E, 73.06 FEET; THENCE S72°33'31"E, 9.13 FEET; THENCE N48°56'38"E, 304.62 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 100.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°45'30" AN ARC DISTANCE OF 22.27 FEET; THENCE N36°11'08"E, 12.09 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 100.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°42'52" AN ARC DISTANCE OF 22.19 FEET; THENCE N48°54'00"E 115.59 FEET TO THE SAID SOUTHWEST LINE OF FOURTH STREET; THENCE NORTHWESTERLY ALONG SAID LINE N41°04'02"W, 212.60 FEET TO THE POINT OF BEGINNING.



**EXHIBIT C**  
**INVENTORY LIST**

**EXHIBIT "C"**

<b>Regional Pool Inventory</b>		
<b>Location/Type</b>	<b>Item</b>	<b>Quantity</b>
Indoor Rental Equipment		
Indoor Rental Equipment	Banquet Chairs	189
Indoor Rental Equipment	Round Tables	19
Indoor Rental Equipment	2x6 Tables	4
Indoor Rental Equipment	3x6 Tables	18
Indoor Rental Equipment	3x8 Tables	13
<b>Location/Type</b>	<b>Item</b>	<b>Quantity</b>
Misc. Maintenance Items	Italian Tile	68 Boxes
Misc. Maintenance Items	Metal Lamp Housing	5
Misc. Maintenance Items	Stucco Roofing Panels	3 boxes
Misc. Maintenance Items		
Misc. Maintenance Items	<b>Pool Equipment</b>	
Misc. Maintenance Items	Lane Line Reel	7
Misc. Maintenance Items	Tarp Reels	5
Misc. Maintenance Items	Pool Tarp	24
Misc. Maintenance Items	Deck Chairs	31
Misc. Maintenance Items	Back Stroke Poles	14
Misc. Maintenance Items	Lifeguard Towers	6
Misc. Maintenance Items	Waterpolo Pool Net	1
Misc. Maintenance Items	Vac Hoses	2
Misc. Maintenance Items	Aqua Aerobics Equipment	1 Full Class Set
Misc. Maintenance Items	Turn Masters	2
<b>Location/Type</b>	<b>Item</b>	<b>Quantity</b>
Water Polo/ Swim Equipment	Water Polo Shot Clocks	4
Water Polo/ Swim Equipment	Water Polo Horn	1
Water Polo/ Swim Equipment	Colorado Timing System	1
Water Polo/ Swim Equipment	Misc Timing System Cables	1 Box
Water Polo/ Swim Equipment	Touch Pads	8
Water Polo/ Swim Equipment	Water Polo Cages	8
<b>Location/Type</b>	<b>Item</b>	<b>Quantity</b>
Safety Equipment	Oxygen Cylinders	4
Safety Equipment	Sheppards Crook	1
Safety Equipment	Life Rings	2
Safety Equipment	Rescue Tubes	6